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1991/05/28

May 28, 1991

CONFIDENTIAL



PRC: PRICES OF KEY MATERIALS RAISED	
State-set prices for within-plan sales of steel products and cement were hiked sharply earlier this year, according to press reports. Steel product prices were increased 25-55%, approaching domestic "free" market prices; official and free market prices of cement were unified by jumping the state price 40%. Comment: These corrective price adjustments may be cited as "reformist,"	BI AS
Fixed prices of other producer goods probably will be adjusted gradually upwards so long as inflation remains below two digits. (CONFIDENTIAL)	

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